

UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF NEW YORK

In re: \_\_\_\_\_

Chapter 11 Case No.

**Lehman Brothers Holdings Inc., et al.,**

08-13555

\_\_\_\_\_  
Debtors.

**FEBRUARY 2018 POST-EFFECTIVE OPERATING REPORT**

FEBRUARY 1, 2018 – FEBRUARY 28, 2018  
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

DEBTORS' ADDRESS: LEHMAN BROTHERS HOLDINGS INC.  
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REPORT PREPARER: LEHMAN BROTHERS HOLDINGS INC., AS PLAN ADMINISTRATOR

Date: March 30, 2018

**SCHEDULE OF DEBTORS**

The twenty three entities listed below (the “Debtors”) filed for bankruptcy in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”) on the dates indicated below. On December 6, 2011, the Bankruptcy Court confirmed the Modified Third Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and its Affiliated Debtors (the “Plan”). On March 6, 2012, the “Effective Date” (as defined in the Plan) occurred. As of the date hereof, the following Debtors’ chapter 11 cases remain open:

	<b>Case No.</b>	<b>Date Filed  (“Commencement  Date”)</b>
Lehman Brothers Holdings Inc. (“LBHI”) .....	08-13555	9/15/2008
Lehman Brothers Commodity Services Inc. (“LBCS”) .....	08-13885	10/3/2008
Lehman Brothers Special Financing Inc. (“LBSF”) .....	08-13888	10/3/2008
Lehman Brothers OTC Derivatives Inc. (“LOT”).....	08-13893	10/3/2008
Lehman Brothers Derivative Products Inc. (“LBDP”) .....	08-13899	10/5/2008
Lehman Commercial Paper Inc. (“LCPI”).....	08-13900	10/5/2008
Lehman Brothers Commercial Corporation (“LBCC”) .....	08-13901	10/5/2008
Lehman Brothers Financial Products Inc. (“LBFP”) .....	08-13902	10/5/2008
Lehman Scottish Finance L.P. ....	08-13904	10/5/2008
BNC Mortgage LLC .....	09-10137	1/9/2009
LB Rose Ranch LLC .....	09-10560	2/9/2009
Structured Asset Securities Corporation.....	09-10558	2/9/2009

The following Debtors’ chapter 11 cases were closed in 2016, pursuant to final decrees entered by the Bankruptcy Court (Docket No. 51920 and Docket No. 54163):

	<b>Case No.</b>	<b>Date Filed</b>	<b>Date Closed</b>
LB 745 LLC.....	08-13600	9/16/2008	1/28/2016
PAMI Statler Arms LLC.....	08-13664	9/23/2008	1/28/2016
CES Aviation LLC .....	08-13905	10/5/2008	1/28/2016
CES Aviation V LLC.....	08-13906	10/5/2008	1/28/2016
CES Aviation IX LLC .....	08-13907	10/5/2008	1/28/2016
LB 2080 Kalakaua Owners LLC .....	09-12516	4/23/2009	1/28/2016
LB Somerset LLC .....	09-17503	12/22/2009	1/28/2016
LB Preferred Somerset LLC .....	09-17505	12/22/2009	1/28/2016
East Dover Limited.....	08-13908	10/5/2008	12/15/2016
Luxembourg Residential Properties Loan Finance S.a.r.l.....	09-10108	1/7/2009	12/15/2016
Merit LLC.....	09-17331	12/14/2009	12/15/2016

The Company has established an email address to receive questions from readers regarding its financial disclosures. The Company plans to review questions received, and for those subjects which the Company determines a response would not (i) violate a confidentiality provision, (ii) place the Company in a competitive or negotiation disadvantage, or (iii) be unduly burdensome relative to the value of information requested, the Company shall endeavor to post a response (maintaining the anonymity of the originators of the questions). The Company assumes no obligation to respond to email inquiries.

**Please email questions, with document references as relevant, to:**

**[QUESTIONS@lehmanholdings.com](mailto:QUESTIONS@lehmanholdings.com)**

**The Company’s previously posted responses can be found on the Epiq website maintained for the Company:**

**[www.lehman-docket.com](http://www.lehman-docket.com) under the Key Documents tab and the Responses to Questions Submitted category**

**LEHMAN BROTHERS HOLDINGS INC. AND OTHER DEBTORS AND DEBTOR-CONTROLLED  
ENTITIES**

**BASIS OF PRESENTATION  
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS  
FEBRUARY 1, 2018 – FEBRUARY 28, 2018**

The information and data included in this February 2018 Post-Effective Operating Report (the “Operating Report”) are derived from sources available to Lehman Brothers Holdings Inc. (“LBHI”), as Plan Administrator, and its Controlled Entities (collectively, the “Company”). The term “Controlled Entities” refers to those entities that are directly or indirectly controlled by LBHI, and excludes, among others, those entities that are under separate administrations in the United States or abroad. LBHI and certain of its Controlled Entities filed for protection under Chapter 11 of the Bankruptcy Code, and those entities are referred to herein as the “Debtors”. The Debtors’ Chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure. LBHI has prepared this Operating Report, which includes certain information as required by the Office of the US Trustee, based on the information available to LBHI at this time, but notes that such information may be incomplete and may be materially deficient in certain respects. This Operating Report is not meant to be relied upon as a complete description of the Debtors, their business, condition (financial or otherwise), results of operations, prospects, assets or liabilities. LBHI reserves all rights to revise this report.

**Other items:**

1. This Operating Report is not prepared in accordance with U.S. generally accepted accounting principles (GAAP), is not audited and will not be subject to audit or review by the Company’s external auditors at any time in the future. Cash balances and activity denominated in foreign currencies have been converted to US Dollars.
2. Beginning and ending balances include demand deposits, interest-bearing deposits with banks, U.S. and foreign money-market funds, U.S. government obligations, U.S. government guaranteed securities, investment grade corporate bonds and commercial paper, and AAA-rated asset-backed securities secured by auto loans and credit card receivables.
3. Beginning and ending cash balances are based on preliminary closing numbers and are subject to adjustment.
4. Beginning and ending cash and investment balances exclude the following:
  - Cash posted as collateral for hedging activity; and
  - Cash held at third party real estate asset managers.

LEHMAN BROTHERS HOLDINGS INC. and other Debtors and Debtor-Controlled Entities  
Schedule of Cash Receipts and Disbursements  
February 1, 2018 - February 28, 2018

Pg 4 of 5

Unaudited (\$ in millions, foreign currencies reflected in USD equivalents)

	Debtors					Debtor-Controlled Entities	Total Debtors and Debtor-Controlled Entities
	LBHI	LBSF	LCPI	Other	Total	Total	
<b>Beginning Free Cash and Investments (02/01/18)</b>	<b>\$ 275</b>	<b>\$ 123</b>	<b>\$ 51</b>	<b>\$ 28</b>	<b>\$ 477</b>	<b>\$ 128</b>	<b>\$ 604</b>
<b>Sources of Cash</b>							
Commercial Real Estate	0	-	-	-	0	0	0
Loans (Corporate and Residential)	7	-	0	-	7	0	7
Private Equity / Principal Investing	0	-	-	-	0	3	4
Derivatives	-	2	-	-	2	-	2
Receipts from Affiliates	0	-	-	-	0	-	0
Other	3	0	0	0	3	0	3
<b>Total Sources of Cash</b>	<b>10</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>12</b>	<b>3</b>	<b>15</b>
<b>Uses of Cash</b>							
Non-Operating							
Commercial Real Estate	(0)	-	0	-	0	-	0
Other	(5)	-	-	-	(5)	(0)	(5)
Operating Expenses (a)							
Compensation and Benefits	(2)	-	-	-	(2)	(0)	(2)
Professional Fees	(7)	-	-	-	(7)	(0)	(8)
Other (b)	(154)	(0)	(0)	(0)	(154)	(0)	(154)
<b>Total Uses of Cash</b>	<b>(168)</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>	<b>(168)</b>	<b>(1)</b>	<b>(169)</b>
<b>Total Cash From Operations</b>	<b>(159)</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>(156)</b>	<b>3</b>	<b>(153)</b>
Post-Petition Inter-Company Receipts	68	-	4	19	92	1	92
Dividend Receipts	0	-	0	-	0	-	0
<b>Total Inter-Company Transfers Receipts</b>	<b>68</b>	<b>-</b>	<b>4</b>	<b>19</b>	<b>92</b>	<b>1</b>	<b>92</b>
Post-Petition Inter-Company Disbursements	(14)	(26)	(32)	(19)	(92)	(0)	(92)
Dividend Disbursements	-	-	-	-	-	(0)	(0)
<b>Total Inter-Company Transfers Disbursements (c)</b>	<b>(14)</b>	<b>(26)</b>	<b>(32)</b>	<b>(19)</b>	<b>(92)</b>	<b>(0)</b>	<b>(92)</b>
Payments to Creditors - Other	(4)	-	-	-	(4)	-	(4)
<b>Total Payments to Creditors (c)</b>	<b>(4)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4)</b>	<b>-</b>	<b>(4)</b>
Other	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Reclass from/(to) Restricted Cash to Free Cash	0	-	-	-	0	(0)	0
Net changes in Free Cash and Investments	(109)	(24)	(28)	0	(161)	3	(158)
<b>Ending Free Cash and Investments (02/28/18)</b>	<b>166</b>	<b>99</b>	<b>23</b>	<b>29</b>	<b>316</b>	<b>130</b>	<b>447</b>
<b>Beginning Restricted Cash (02/01/18)</b>	<b>1,730</b>	<b>439</b>	<b>2</b>	<b>119</b>	<b>2,290</b>	<b>21</b>	<b>2,312</b>
Other	(0)	-	-	-	(0)	0	(0)
Net Changes in Restricted Cash	(0)	-	-	-	(0)	0	(0)
<b>Ending Restricted Cash (02/28/18)</b>	<b>1,730</b>	<b>439</b>	<b>2</b>	<b>119</b>	<b>2,290</b>	<b>21</b>	<b>2,312</b>
<b>Beginning Total Cash and Investments (02/01/18)</b>	<b>2,004</b>	<b>563</b>	<b>53</b>	<b>147</b>	<b>2,767</b>	<b>149</b>	<b>2,916</b>
Net changes in Free Cash and Investments	(109)	(24)	(28)	0	(161)	3	(158)
Net changes in Restricted Cash	(0)	-	-	-	(0)	0	(0)
<b>Ending Total Cash and Investments (02/28/18)</b>	<b>\$ 1,896</b>	<b>\$ 538</b>	<b>\$ 25</b>	<b>\$ 147</b>	<b>\$ 2,606</b>	<b>\$ 152</b>	<b>\$ 2,758</b>

All values that are exactly zero are shown as "-". Values between zero and \$0.5 million appear as "0".  
Totals may not foot due to rounding.

**LEHMAN BROTHERS HOLDINGS INC. and other Debtors and Debtor-Controlled Entities**  
**Schedule of Cash Receipts and Disbursements**  
**February 1, 2018 - February 28, 2018**

Unaudited (\$)

**Notes:**

(a) A portion of the Operating Expenses paid by LBHI is subject to allocations to, and reimbursement from, various Debtors and Debtor-Controlled Entities.

(b) Other, pursuant to the LBHI Board of Directors Incentive Compensation Plan (see Docket No. 44924 filed on June 30, 2014 for further information), is almost entirely the payment of Director Fees. A portion of these Director Fees was allocated to and reimbursed by other Debtors and is included in Post-Petition Inter-Company Receipts and Disbursements.

(c) Inter-Company Receipts and Disbursements primarily include (i) allocations of the Director Fees referenced in footnote (b) to other Debtors via payments to LBHI, (ii) settlement of costs allocation, and (iii) partial repayments on intercompany balances.